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C O N F I D E N T I A L SECTION 01 OF 02 JERUSALEM 001027

SIPDIS

NEA FOR FRONT OFFICE. NSC FOR ABRAMS/SINGH/PASCUAL

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TAGS: KWBG PBTS PREL IS

SUBJECT: SETTLEMENT ANNOUNCEMENTS AND TENDERS: MAJOR UPTICK
POST-ANNAPOLIS

REF: A. TEL AVIV 01247

¶B. TEL AVIV 00220

Classified By: Consul General Jake Walles, per reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: The announcement on June 13 of 1,300 new residential units in "Ramat Shlomo" (adjacent to the Palestinian neighborhood of Shufat) brings the post-Annapolis Conference total of housing units approved and awaiting public review or tender in the West Bank and East Jerusalem to 5,557. Tenders have been published for 2,800 units (reftel) units in East Jerusalem and the West Bank since the Annapolis Conference. In contrast, the GOI approved or tendered only 456 total units between January 2007 and the Annapolis Conference in November. On June 15, Jerusalem mayor Uri Lupolianski announced, for the third time, his affordable housing plan for 40,000 units in both East and West Jerusalem, a number that includes some previously approved and announced plans but that mostly comprises unapproved future proposals. The mayor's staff told PolOff that Lupolianski's announcement was "mainly for 'public affairs' reasons." Lupolianski is up for re-election in the fall. END SUMMARY.

456 Units in 2007 Before Annapolis;
8,357 in the Six Months Since

¶2. (C) In the six months since the Annapolis Conference (December 2007 through May 2008), the GOI has issued tenders for 2,800 housing units (reftel) in the West Bank and East Jerusalem. In addition, 5,557 units have been approved by the GOI and await public review and tendering. In contrast, from January to November 2007, Israel approved or tendered a total of 456 housing units in these areas. On June 13, just before Secretary Rice's arrival, the Regional Planning Board (a branch of the MoI) announced approval of 1,300 units in the East Jerusalem ultra-orthodox neighborhood of Ramat Shlomo (also known as Rekhes Shuafat). According to Elad Halevy, an advisor to Jerusalem Mayor Uri Lupolianski, the Regional Planning Board approved 1,300 units and rejected another proposed 660 units. The project will next face a 60-day public review period, after which the plan returns to the same Jerusalem committee that previously approved it for final approval and tender issue. The Ramat Shlomo plan joins a host of other plans totaling 5,557 units that are in the final stages of approval or that could be tendered any time (some pending public review).

Municipality: "The 40,000 Houses Initiative
Is Mainly for 'Public Affairs' Issues"

¶3. (C) As a follow up to the June 13 Ramat Shlomo announcement, on June 15 Jerusalem Mayor Uri Lupolianski re-announced his "affordable housing initiative" which

consists of 40,000 units in both East and West Jerusalem, though the majority are over the green line (Note: the Mayor previously announced the 40,000 unit plan during President Bush's visit to Jerusalem on January 4 and again in March when Pisgat Zeev units in the plan were approved.

Lupolianski is up for re-election on November 11, and new housing developments, especially for the ultra-Orthodox Jewish community, is a campaign centerpiece. End note). The 40,000 units, while grabbing headlines, are a recycled collection of previously approved and announced plans, plans that are known to be in the committee pipeline, and future plans that have not been approved or submitted to the planning committee. While local press reported on June 16 that the 40,000 units were "approved," ConGen contacts are not aware of any meeting held to discuss most of the units included in the 40,000, nor of a decision by the required committees (local and regional) to approve the plans.

Mayor's Advisor Elad Halevy told PolOff June 16 that "the 40,000 houses initiative is mainly for 'public affairs' issues" and said "there is still no approval for this many houses in Jerusalem, but rather (they are) future plans." Halevy told PolOff to expect another roll out of the plan during the week of June 23.

Yesha Council Chairman Lashes Out, but Distinguishes Between West Bank and Jerusalem

¶4. (C) Press reported Yesha Council chairman Dani Dayan calling Secretary Rice's public comments on settlements "impertinent and shameful." Dayan told PolOff June 17 that PM Olmert had mistakenly drawn too much attention to

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Jerusalem by allowing development there but not in "Judea and Samaria." "There is still a freeze in place in what you call the West Bank," he said, noting that "this is the only time in history" that building in Jerusalem has been such a problem.

¶5. (C) Dayan said efforts to move the Migron outpost to the nearby Adam settlement are "dead" because neither community wanted to be part of the other. He predicted the GOI would not live up its commitment to the High Court to move Migron by August, but that a deal might be struck "soon," though settlers at Migron will refuse to abide by any negotiated agreement. Dayan says he was concerned six months ago when Annapolis statements were announced, but is now feeling "much more confident." Dayan said rising instances of settler violence and temporary outposts used as political demonstrations have been "harmful to our cause."

WALLES